



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2017 Biennium

<b>Bill #</b>	SB0155	<b>Title:</b>	Revise laws related to fuel dispensers
<b>Primary Sponsor:</b>	Tutvedt, Bruce	<b>Status:</b>	As Introduced

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input type="checkbox"/> Needs to be included in HB 2  | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$6,600	\$0	\$0	\$0
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	(\$58,939)	(\$58,939)	(\$58,939)	(\$58,939)
<b>Net Impact-General Fund Balance:</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Description of fiscal impact:** This legislation will increase license fees for four types of petroleum meters. The legislation will also change the licensure of meters with a maximum delivery rate of 20 gallons per minute or less from an annual license to a biennial license, resulting in a loss of revenue, and will require the Weights and Measures Bureau to credit to a future year, license fees for any meters not tested either annually or biennially, depending on the meter type.

### FISCAL ANALYSIS

#### Assumptions:

#### Department of Labor and Industry (DLI) Weights and Measures Bureau

1. Inspection fees for meters with a listed maximum delivery rate of 20 gallons per minute or less (gas station meters) will increase to \$27 from \$21. This will be a total increase biennially of \$84,179.
2. Inspection fees for petroleum vehicle tank meters with a maximum delivery rate between 20 and 130 gallons per minute will increase from \$70 to \$88. This will be a total increase annually of \$25,200.

3. Inspection fees for petroleum meters with a maximum delivery rate of more than 130 gallons per minute will increase from \$83 to \$104. This will be a total increase annually of \$5,460.
4. Inspection fees for liquefied petroleum meters will increase from \$102 to \$128. This will be a total increase annually of \$15,626.
5. Total revenue collected for petroleum license fees in FY 2014 was \$475,513. Collecting inspection fees biennially for meters delivering 20 gallons per minute or less will result in the department deferring 50% of revenue collected for this meter type to the next business year
6. The change to a biennial renewal and deferral of revenue results in an overall reduction in revenue as follows: Fees estimated to be collected in FY 2016 = \$605,978 - \$189,405 deferred = \$416,573 or (\$58,939) less than collected in FY 2014.

Meter	Estimated # in 2014	Fees 2014 / 2016	SFY 2014	SFY 2016	SFY 2017	SFY 2018	SFY 2019
Meters < 20 gallons	14,030	\$21 / \$27	\$ 294,630	\$ 378,810	\$ -	\$ 378,810	\$ -
Meter 20-130 gallons	1,400	\$70 / \$88	\$ 98,000	\$ 123,200	\$ 123,200	\$ 123,200	\$ 123,200
Meter > 130 gallons	260	\$83 / \$104	\$ 21,580	\$ 27,040	\$ 27,040	\$ 27,040	\$ 27,040
Liquefied petroleum meter	601	\$102 / \$128	\$ 61,302	\$ 76,928	\$ 76,928	\$ 76,928	\$ 76,928
Revenue estimate			\$ 475,512	\$ 605,978	\$ 227,168	\$ 605,978	\$ 227,168
Defer revenue to even biennial collection cycle				\$ (189,405)		\$ (189,405)	
Deferred revenue from previous year					\$ 189,405		\$ 189,405
Revenue available				\$ 416,573	\$ 416,573	\$ 416,573	\$ 416,573
Available revenue difference from SFY 2014				\$ (58,939)	\$ (58,939)	\$ (58,939)	\$ (58,939)

7. The bill allows payments of license fees to be credited to a future year if an inspection of the meter does not take place in the required time period of every two years for meters with a rate of less than 20 gallons, and yearly for all other meters. Allowing a credit will result in the Weights and Measures Bureau tracking revenue on an individual meter basis in order to defer the revenue to the date an inspection can be performed.
8. The Weights and Measures Bureau currently uses the Department of Revenue “eStop” payment processing program to allow for online payments. The meter license is part of the eStop business Licensing program defined in 30-16-1. The software developed to administer the program is set up to license each business location annually. Proposed changes to license meters for gas stations biennially will result in required changes to the software. Programming would need to be based at the license level rather than location level. DOR estimates changes to the software will cost \$5,100 in programming costs and \$1,500 in contracted testing fees. Weights and Measures will be responsible for paying these charges estimated at \$6,600 in SFY 2016.
9. Fees billed by DOR to Weights & Measures will decrease by an undetermined amount. Additional analysis will be needed by DOR to determine whether the decrease will result in an increase in per license fees to all participating agencies in order to cover fixed costs of the eStop program.

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
<b><u>Fiscal Impact:</u></b>				
<b><u>Expenditures:</u></b>				
Personal Services	\$0	\$0	\$0	\$0
Operating Expenses	\$6,600	\$0	\$0	\$0
<b>TOTAL Expenditures</b>	<b>\$6,600</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$6,600	\$0	\$0	\$0
<b>TOTAL Funding of Exp.</b>	<b>\$6,600</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$58,939)	(\$58,939)	(\$58,939)	(\$58,939)
<b>TOTAL Revenues</b>	<b>(\$58,939)</b>	<b>(\$58,939)</b>	<b>(\$58,939)</b>	<b>(\$58,939)</b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$65,539)	(\$58,939)	(\$58,939)	(\$58,939)

**Technical Notes:**

1. Department of Revenue, noted the bill does not change language in 82-15-105(4), MCA, stating that all licenses are annual and expire on the anniversary date established by rule by the eStop Board of Review, 30-16-301(1)(a), MCA. The board has established an annual anniversary date for all licenses processed through this payment system in ARM 42.8.103.

\_\_\_\_\_  
*Sponsor's Initials*\_\_\_\_\_  
*Date*\_\_\_\_\_  
*Budget Director's Initials*\_\_\_\_\_  
*Date*